



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/05/04, by Julie Hamos

SYNOPSIS AS INTRODUCED:

20 ILCS 2215/4-2

from Ch. 111 1/2, par. 6504-2

Amends the Illinois Health Care Finance Reform Act. Requires the Department of Public Health to require all ambulatory surgical treatment centers licensed to operate in the State (now, the requirement applies only to hospitals licensed to operate in the State) to adopt a uniform system for submitting patient charges for payment from public and private payors and to electronically submit certain patient billing data to the Department for public disclosure. Makes corresponding changes in provisions concerning the process for review, adjustment, and validation of the publicly disclosed information. Requires the Department to collect and compile certain billing data from ambulatory surgical treatment centers according to certain standards by January 1, 2006 (or by January 1, 2007 for centers or physicians with fewer than 25 employees). Effective January 1, 2005.

LRB093 20871 MKM 46817 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning health care.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Health Finance Reform Act is
5 amended by changing Section 4-2 as follows:

6 (20 ILCS 2215/4-2) (from Ch. 111 1/2, par. 6504-2)

7 Sec. 4-2. Powers and duties.

8 (a) (Blank).

9 (b) (Blank).

10 (c) (Blank).

11 (d) Uniform Provider Utilization and Charge Information.

12 (1) The Department of Public Health shall require that
13 all hospitals and ambulatory surgical treatment centers
14 licensed to operate in the State of Illinois adopt a
15 uniform system for submitting patient charges for payment
16 from public and private payors. This system shall be based
17 upon adoption of the uniform electronic hospital billing
18 form pursuant to the Health Insurance Portability and
19 Accountability Act.

20 (2) (Blank).

21 (3) The Department of Insurance shall require all
22 third-party payors, including but not limited to, licensed
23 insurers, medical and hospital service corporations,
24 health maintenance organizations, and self-funded employee
25 health plans, to accept the uniform billing form, without
26 attachment as submitted by hospitals pursuant to paragraph
27 (1) of subsection (d) above, effective January 1, 1985;
28 provided, however, nothing shall prevent all such third
29 party payors from requesting additional information
30 necessary to determine eligibility for benefits or
31 liability for reimbursement for services provided.

32 (4) Each hospital licensed in the State shall

1 electronically submit to the Department patient billing
2 data for conditions and procedures required for public
3 disclosure pursuant to paragraph (6). For hospitals, the
4 billing data to be reported shall include all inpatient
5 surgical cases. Billing data submitted under this Act shall
6 not include a patient's name, address, or Social Security
7 number.

8 (5) By no later than January 1, 2005, the Department
9 must collect and compile billing data required under
10 paragraph (6) according to uniform electronic submission
11 formats as required under the Health Insurance Portability
12 and Accountability Act. By no later than January 1, 2006,
13 the Department must collect and compile from ambulatory
14 surgical treatment centers the billing data required under
15 paragraph (6) according to uniform electronic submission
16 formats as required under the Health Insurance Portability
17 and Accountability Act.

18 (6) The Department shall make available on its website
19 the "Consumer Guide to Health Care" by January 1, 2006. The
20 "Consumer Guide to Health Care" shall include information
21 on 30 conditions and procedures identified by the
22 Department that demonstrate the highest degree of
23 variation in patient charges and quality of care. As to
24 each condition or procedure, the "Consumer Guide to Health
25 Care" shall include up-to-date comparison information
26 relating to volume of cases, average charges,
27 risk-adjusted mortality rates, and nosocomial infection
28 rates. Information disclosed pursuant to this paragraph on
29 mortality and infection rates shall be based upon
30 information hospitals have previously submitted to the
31 Department pursuant to their obligations to report health
32 care information under other public health reporting laws
33 and regulations outside of this Act.

34 (7) Publicly disclosed information must be provided in
35 language that is easy to understand and accessible to
36 consumers using an interactive query system.

1 (8) None of the information the Department discloses to
2 the public under this subsection may be made available
3 unless the information has been reviewed, adjusted, and
4 validated according to the following process:

5 (i) Hospitals ambulatory surgical treatment
6 centers and organizations representing hospitals are
7 meaningfully involved in the development of all
8 aspects of the Department's methodology for
9 collecting, analyzing, and disclosing the information
10 collected under this Act, including collection
11 methods, formatting, and methods and means for release
12 and dissemination;

13 (ii) The entire methodology for collection and
14 analyzing the data is disclosed to all relevant
15 organizations and to all providers that are the subject
16 of any information to be made available to the public
17 before any public disclosure of such information;

18 (iii) Data collection and analytical methodologies
19 are used that meet accepted standards of validity and
20 reliability before any information is made available
21 to the public;

22 (iv) The limitations of the data sources and
23 analytic methodologies used to develop comparative
24 provider information are clearly identified and
25 acknowledged, including, but not limited to,
26 appropriate and inappropriate uses of the data;

27 (v) To the greatest extent possible, comparative
28 hospital and ambulatory surgical treatment center
29 information initiatives use standard-based norms
30 derived from widely accepted provider-developed
31 practice guidelines;

32 (vi) Comparative hospital information and other
33 information that the Department has compiled regarding
34 hospitals is shared with the hospitals and ambulatory
35 surgical treatment centers under review prior to
36 public dissemination of the information and these

1 providers have an opportunity to make corrections and
2 additions of helpful explanatory comments about the
3 information before the publication;

4 (vii) Comparisons among hospitals and ambulatory
5 surgical treatment centers adjust for patient case mix
6 and other relevant risk factors and control for
7 provider peer groups;

8 (viii) Effective safeguards to protect against the
9 unauthorized use or disclosure of hospital and
10 ambulatory surgical treatment center information are
11 developed and implemented;

12 (ix) Effective safeguards to protect against the
13 dissemination of inconsistent, incomplete, invalid,
14 inaccurate, or subjective provider data are developed
15 and implemented;

16 (x) The quality and accuracy of hospital and
17 ambulatory surgical treatment center information
18 reported under this Act and its data collection,
19 analysis, and dissemination methodologies are
20 evaluated regularly; and

21 (xi) Only the most basic identifying information
22 from mandatory reports is used, and patient
23 identifiable information is not released. The input
24 data collected by the Department shall not be a public
25 record under the Illinois Freedom of Information Act.

26 None of the information the Department discloses to the
27 public under this Act may be used to establish a standard
28 of care in a private civil action.

29 (9) The Department must develop and implement an
30 outreach campaign to educate the public regarding the
31 availability of the "Consumer Guide to Health Care".

32 (10) Within 12 months after the effective date of this
33 amendatory Act of the 93rd General Assembly, the Department
34 must study the most effective methods for public disclosure
35 of patient charge data and health care quality information
36 that will be useful to consumers in making health care

1 decisions and report its recommendations to the Governor
2 and to the General Assembly.

3 (11) The Department must undertake all steps necessary
4 under State and Federal law to protect patient
5 confidentiality in order to prevent the identification of
6 individual patient records.

7 (e) (Blank).

8 (Source: P.A. 92-597, eff. 7-1-02; 93-144, eff. 7-10-03.)

9 Section 99. Effective date. This Act takes effect January
10 1, 2005.